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LRB093 15870 DRH 50389 a

1 AMENDMENT TO SENATE BILL 2238

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2238 by replacing  
3 the title with the following:

4 "AN ACT concerning transportation."; and

5 by replacing everything after the enacting clause with the  
6 following:

7 "Section 5. The Illinois Vehicle Code is amended by  
8 changing Sections 1-164.5, 7-203, 7-311, and 7-317 as follows:

9 (625 ILCS 5/1-164.5)

10 Sec. 1-164.5. Proof of financial responsibility.

11 (a) Except as otherwise provided in subsection (b), proof  
12 ~~Proof~~ of ability to respond in damages for any liability  
13 thereafter incurred resulting from the ownership, maintenance,  
14 use or operation of a motor vehicle for bodily injury to or  
15 death of any person in the amount of \$20,000, and subject to  
16 this limit for any one person injured or killed, in the amount  
17 of \$40,000 for bodily injury to or death of 2 or more persons  
18 in any one accident, and for damage to property in the amount  
19 of \$15,000 resulting from any one accident.

20 (b) In any case in which the proof of financial  
21 responsibility consists of (i) a motor vehicle liability  
22 policy, as defined in Section 7-317 of this Code, issued or  
23 renewed on or after December 1, 2004 or (ii) a bond issued or

1 renewed on or after December 1, 2004, proof of ability to  
2 respond in damages for any liability thereafter incurred  
3 resulting from the ownership, maintenance, use or operation of  
4 a motor vehicle for bodily injury to or death of any person in  
5 the amount of \$30,000, and subject to this limit for any one  
6 person injured or killed, in the amount of \$60,000 for bodily  
7 injury to or death of 2 or more persons in any one accident,  
8 and for damage to property in the amount of \$25,000 resulting  
9 from any one accident.

10 (c) This proof in these amounts shall be furnished for each  
11 motor vehicle registered by every person required to furnish  
12 this proof.

13 (Source: P.A. 90-89, eff. 1-1-98.)

14 (625 ILCS 5/7-203) (from Ch. 95 1/2, par. 7-203)

15 Sec. 7-203. Requirements as to policy or bond.

16 (a) No such policy or bond referred to in Section 7-202  
17 shall be effective under this Section unless issued by an  
18 insurance company or surety company authorized to do business  
19 in this State, except that if such motor vehicle was not  
20 registered in this State, or was a motor vehicle which was  
21 registered elsewhere than in this State at the effective date  
22 of the policy or bond, or the most recent renewal thereof, such  
23 policy or bond shall not be effective under this Section unless  
24 the insurance company or surety company, if not authorized to  
25 do business in this State, shall execute a power of attorney  
26 authorizing the Secretary of State to accept service on its  
27 behalf of notice or process in any action upon such policy or  
28 bond arising out of such motor vehicle accident.

29 (b) Except as provided in subsection (c) ~~However~~, every  
30 such policy or bond is subject, if the motor vehicle accident  
31 has resulted in bodily injury or death, to a limit, exclusive  
32 of interest and costs, of not less than \$20,000 because of  
33 bodily injury to or death of any one person in any one motor

1 vehicle accident and, subject to said limit for one person, to  
2 a limit of not less than \$40,000 because of bodily injury to or  
3 death of 2 or more persons in any one motor vehicle accident,  
4 and, if the motor vehicle accident has resulted in injury to or  
5 destruction of property, to a limit of not less than \$15,000  
6 because of injury to or destruction of property of others in  
7 any one motor vehicle accident.

8 (c) Any policy or bond issued or renewed on or after  
9 December 1, 2004 is subject, if the motor vehicle accident has  
10 resulted in bodily injury or death, to a limit, exclusive of  
11 interest and costs, of not less than \$30,000 because of bodily  
12 injury to or death of any one person in any one motor vehicle  
13 accident and, subject to the limit for one person, to a limit  
14 of not less than \$60,000 because of bodily injury to or death  
15 of 2 or more persons in any one motor vehicle accident, and, if  
16 the motor vehicle accident has resulted in injury to or  
17 destruction of property, to a limit of not less than \$25,000  
18 because of injury to or destruction of property of others in  
19 any one motor vehicle accident.

20 (d) Upon receipt of a written motor vehicle accident report  
21 from the Administrator the insurance company or surety company  
22 named in such notice shall notify the Administrator within such  
23 time and in such manner as the Administrator may require, in  
24 case such policy or bond was not in effect at the time of such  
25 motor vehicle accident.

26 (Source: P.A. 85-730.)

27 (625 ILCS 5/7-311) (from Ch. 95 1/2, par. 7-311)

28 Sec. 7-311. Payments sufficient to satisfy requirements.

29 (a) Except as otherwise provided in subsection (a-1), judgments  
30 ~~Judgments~~ herein referred to arising out of motor vehicle  
31 accidents occurring on or after January 1, 1956, shall for the  
32 purpose of this Chapter be deemed satisfied:

33 1. When \$20,000 has been credited upon any judgment or

1 judgments rendered in excess of that amount for bodily injury  
2 to or the death of one person as the result of any one motor  
3 vehicle accident; or

4 2. When, subject to said limit of \$20,000 as to any one  
5 person, the sum of \$40,000 has been credited upon any judgment  
6 or judgments rendered in excess of that amount for bodily  
7 injury to or the death of more than one person as the result of  
8 any one motor vehicle accident; or

9 3. When \$15,000 has been credited upon any judgment or  
10 judgments, rendered in excess of that amount for damages to  
11 property of others as a result of any one motor vehicle  
12 accident.

13 (a-1) A Judgment arising out of a motor vehicle accident  
14 occurring on or after December 1, 2004, if the judgment debtor  
15 is covered by (i) a motor vehicle liability policy, as defined  
16 in Section 7-317 of this Code, issued or renewed on or after  
17 December 1, 2004 or (ii) a bond issued or renewed on or after  
18 December 1, 2004, is satisfied for the purpose of this Chapter:

19 1. When \$30,000 has been credited upon any judgment or  
20 judgments rendered in excess of that amount for bodily injury  
21 to or the death of one person as the result of any one motor  
22 vehicle accident; or

23 2. When, subject to the limit of \$30,000 as to any one  
24 person, the sum of \$60,000 has been credited upon any judgment  
25 or judgments rendered in excess of that amount for bodily  
26 injury to or the death of more than one person as the result of  
27 any one motor vehicle accident; or

28 3. When \$25,000 has been credited upon any judgment or  
29 judgments, rendered in excess of that amount for damages to  
30 property of others as a result of any one motor vehicle  
31 accident.

32 (b) Credit for such amounts shall be deemed a satisfaction  
33 of any such judgment or judgments in excess of said amounts  
34 only for the purposes of this Chapter.

1 (c) Whenever payment has been made in settlement of any  
2 claim for bodily injury, death or property damage arising from  
3 a motor vehicle accident resulting in injury, death or property  
4 damage to two or more persons in such accident, any such  
5 payment shall be credited in reduction of the amounts provided  
6 for in this Section.

7 (Source: P.A. 85-730.)

8 (625 ILCS 5/7-317) (from Ch. 95 1/2, par. 7-317)

9 Sec. 7-317. "Motor vehicle liability policy" defined. (a)  
10 Certification. -A "motor vehicle liability policy", as that  
11 term is used in this Act, means an "owner's policy" or an  
12 "operator's policy" of liability insurance, certified as  
13 provided in Section 7-315 or Section 7-316 as proof of  
14 financial responsibility for the future, and issued, except as  
15 otherwise provided in Section 7-316, by an insurance carrier  
16 duly authorized to transact business in this State, to or for  
17 the benefit of the person named therein as insured.

18 (b) Owner's Policy. --Such owner's policy of liability  
19 insurance:

20 1. Shall designate by explicit description or by  
21 appropriate reference, all motor vehicles with respect to which  
22 coverage is thereby intended to be granted;

23 2. Shall insure the person named therein and any other  
24 person using or responsible for the use of such motor vehicle  
25 or vehicles with the express or implied permission of the  
26 insured;

27 3. Shall, except as otherwise provided in paragraph 4 of  
28 this subsection (b), insure every named insured and any other  
29 person using or responsible for the use of any motor vehicle  
30 owned by the named insured and used by such other person with  
31 the express or implied permission of the named insured on  
32 account of the maintenance, use or operation of any motor  
33 vehicle owned by the named insured, within the continental

1 limits of the United States or the Dominion of Canada against  
2 loss from liability imposed by law arising from such  
3 maintenance, use or operation, to the extent and aggregate  
4 amount, exclusive of interest and cost, with respect to each  
5 motor vehicle, of \$20,000 for bodily injury to or death of one  
6 person as a result of any one accident and, subject to such  
7 limit as to one person, the amount of \$40,000 for bodily injury  
8 to or death of all persons as a result of any one accident and  
9 the amount of \$15,000 for damage to property of others as a  
10 result of any one accident.

11 4. Shall, with regard to policies issued or renewed on or  
12 after December 1, 2004, insure every named insured and any  
13 other person using or responsible for the use of any motor  
14 vehicle owned by the named insured and used by any other person  
15 with the express or implied permission of the named insured on  
16 account of the maintenance, use, or operation of any motor  
17 vehicle owned by the named insured, within the continental  
18 limits of the United States or the Dominion of Canada against  
19 loss from liability imposed by law arising from that  
20 maintenance, use, or operation, to the extent and aggregate  
21 amount, exclusive of interest and cost, with respect to each  
22 motor vehicle, of \$30,000 for bodily injury to or death of one  
23 person as a result of any one accident and, subject to that  
24 limit as to one person, the amount of \$60,000 for bodily injury  
25 to or death of all persons as a result of any one accident, and  
26 the amount of \$25,000 for damage to property of others as a  
27 result of any one accident.

28 (c) Operator's Policy. --When an operator's policy is  
29 required, it shall insure the person named therein as insured  
30 against the liability imposed by law upon the insured for  
31 bodily injury to or death of any person or damage to property  
32 to the amounts and limits above set forth and growing out of  
33 the use or operation by the insured within the continental  
34 limits of the United States or the Dominion of Canada of any

1 motor vehicle not owned by him.

2 (d) Required Statements in Policies. --Every motor vehicle  
3 liability policy must specify the name and address of the  
4 insured, the coverage afforded by the policy, the premium  
5 charged therefor, the policy period, and the limits of  
6 liability, and shall contain an agreement that the insurance  
7 thereunder is provided in accordance with the coverage defined  
8 in this Act, as respects bodily injury and death or property  
9 damage or both, and is subject to all the provisions of this  
10 Act.

11 (e) Policy Need Not Insure Workers' Compensation. --Any  
12 liability policy or policies issued hereunder need not cover  
13 any liability of the insured assumed by or imposed upon the  
14 insured under any workers' compensation law nor any liability  
15 for damage to property in charge of the insured or the  
16 insured's employees.

17 (f) Provisions Incorporated in Policy. --Every motor  
18 vehicle liability policy is subject to the following provisions  
19 which need not be contained therein:

20 1. The liability of the insurance carrier under any such  
21 policy shall become absolute whenever loss or damage covered by  
22 the policy occurs and the satisfaction by the insured of a  
23 final judgment for such loss or damage shall not be a condition  
24 precedent to the right or obligation of the carrier to make  
25 payment on account of such loss or damage.

26 2. No such policy may be cancelled or annulled as respects  
27 any loss or damage, by any agreement between the carrier and  
28 the insured after the insured has become responsible for such  
29 loss or damage, and any such cancellation or annulment shall be  
30 void.

31 3. The insurance carrier shall, however, have the right to  
32 settle any claim covered by the policy, and if such settlement  
33 is made in good faith, the amount thereof shall be deductible  
34 from the limits of liability specified in the policy.

1           4. The policy, the written application therefor, if any,  
2 and any rider or endorsement which shall not conflict with the  
3 provisions of this Act shall constitute the entire contract  
4 between the parties.

5           (g) Excess or Additional Coverage. --Any motor vehicle  
6 liability policy may, however, grant any lawful coverage in  
7 excess of or in addition to the coverage herein specified or  
8 contain any agreements, provisions, or stipulations not in  
9 conflict with the provisions of this Act and not otherwise  
10 contrary to law.

11           (h) Reimbursement Provision Permitted. --The policy may  
12 provide that the insured, or any other person covered by the  
13 policy shall reimburse the insurance carrier for payment made  
14 on account of any loss or damage claim or suit involving a  
15 breach of the terms, provisions or conditions of the policy;  
16 and further, if the policy shall provide for limits in excess  
17 of the limits specified in this Act, the insurance carrier may  
18 plead against any plaintiff, with respect to the amount of such  
19 excess limits of liability, any defense which it may be  
20 entitled to plead against the insured.

21           (i) Proration of Insurance Permitted. --The policy may  
22 provide for the pro-rating of the insurance thereunder with  
23 other applicable valid and collectible insurance.

24           (j) Binders. --Any binder pending the issuance of any  
25 policy, which binder contains or by reference includes the  
26 provisions hereunder shall be sufficient proof of ability to  
27 respond in damages.

28           (k) Copy of Policy to Be Filed with Department of  
29 Insurance--Approval. --A copy of the form of every motor  
30 vehicle liability policy which is to be used to meet the  
31 requirements of this Act must be filed, by the company offering  
32 such policy, with the Department of Insurance, which shall  
33 approve or disapprove the policy within 30 days of its filing.  
34 If the Department approves the policy in writing within such 30

1 day period or fails to take action for 30 days, the form of  
2 policy shall be deemed approved as filed. If within the 30 days  
3 the Department disapproves the form of policy filed upon the  
4 ground that it does not comply with the requirements of this  
5 Act, the Department shall give written notice of its decision  
6 and its reasons therefor to the carrier and the policy shall  
7 not be accepted as proof of financial responsibility under this  
8 Act.

9 (l) Insurance Carrier Required to File Certificate. --An  
10 insurance carrier who has issued a motor vehicle liability  
11 policy or policies or an operator's policy meeting the  
12 requirements of this Act shall, upon the request of the insured  
13 therein, deliver to the insured for filing, or at the request  
14 of the insured, shall file direct, with the Secretary of State  
15 a certificate, as required by this Act, which shows that such  
16 policy or policies have been issued. No insurance carrier may  
17 require the payment of any extra fee or surcharge, in addition  
18 to the insurance premium, for the execution, delivery or filing  
19 of such certificate.

20 (m) Proof When Made By Endorsement. --Any motor vehicle  
21 liability policy which by endorsement contains the provisions  
22 required hereunder shall be sufficient proof of ability to  
23 respond in damages.

24 (Source: P.A. 85-730.)

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law."